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INFORMATION REPORT

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COUNTRY Austria/USSR

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SUBJECT Precarious Financial Position of the
 Austrian Electrical Industry

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On 1 August 1948 it was generally accepted by well-informed members of the Austrian electrical industry that Siemens & Halske A.G. was in serious financial straits. They had accumulated radios and radio parts reported to be worth seven million schillings which they could not sell because of the inferior quality of these goods and the high prices charged for them. Early in September 1948, Siemens & Halske sent a delegation to Alfred Markus, public administrator of all Siemens enterprises in Austria, to advise him of the crisis now confronting the company. Likewise, the Telefunken Austria A.G. is said to be saddled with a two million schilling deficit, and applications for credit have so far been unsuccessful.

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2. Early in September 1948 a shop council delegation from the non-USIA factory of AEG Union, Vienna III, appeared at the offices of Siemens-Schuckert G.m.b.H. to speak with Directors ~~DAVID~~ and ~~ZENSTNER~~. They came, they said, with the full knowledge of the directors of AEG, in order to apply to Siemens G.m.b.H. to incorporate the 800 workers and employees of AEG into the Siemens complex. Their request was based on what they described as the desperate circumstances under which AEG was laboring: a force of 300 workers in the plant in Vienna III is directed by 500 engineers and employees in the central AEG office. The result of this grotesque personnel overhead was declared to be uneconomical plant management. They pointed out that during the year of 1947, non-USIA AEG had shown a loss of three million schillings. Operations during 1948 have further increased the deficit, making the present financial situation unbearable. Comment: Although Siemens could possibly take on some of the workers and technicians for their shop in Vienna VII, and for the plant in Salzburg, the hiring of some 800 workers and employees is out of the question. Accordingly, the application of the delegation was turned down in principle by Siemens, whereupon AEG applied for help to the Ministry for Property Control and Economic Planning. It is said that the problem has been under consideration there for some time, and that possibly that part of AEG which is

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councillors of Elin A.G., that this firm also faces a threatening financial situation. Although figures were not given, Elin is said to be heavily indebted to the Creditanstalt, which has now refused to grant further credit. Comment: The straitened circumstances of the above-mentioned non-USIA firms leaves Siemens-Schuckert G.m.b.H. as almost the only solvent Austrian electrical firm which is not under Soviet control.)

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Page 2